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June 19, 2003

Ms Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: CC Docket No. 99-200

Dear Ms Dortch:

This is to inform you that on June 19, 2003, Marie Breslin of Verizon, Jeff Lindsey of Sprint, Mike Tan, Bill Brown, and Mark Welch of SBC, and I met with Christopher Libertelli, Advisor to Chairman Powell. The purpose of the meeting was to discuss why the ILECs represented at the meeting opposed the grant of the petition for waiver of § 52.20(c)(1) of the Commission's rules filed by the California Public Utility Commission on September 5, 2002. The carriers' representatives explained that their companies opposed the petition because the costs associated with its grant were significant while the benefits were illusory. The attached document was used during the presentation to summarize the bases for these conclusions. We also discussed the advantages and disadvantages of a waiver more limited in scope than that sought by the CPUC, and the conditions on such a waiver that would best serve the public interest in ready access to telephone numbers.

In accordance with Section 1.1206, I am filing this notice and the document electronically and request that you place it in the record of the proceeding identified above. Thank you.

Sincerely,

Kathleen B. Levitz

Attachment

cc: Christopher Libertelli

Changing Number Contamination Levels

Presentation of BellSouth, Qwest,
SBC, Sprint and Verizon

June 19, 2003

Background: Number Contamination

- Block donation for pooling occurs only at the outset of pooling implementation in a rate center.
- Contamination occurs when at least one telephone number (TN) within a thousand-block of TNs is not available for assignment to end users. Contamination becomes an issue only when a block is a candidate for donation to the pool.
- The FCC concluded that carriers should have to donate a thousand block if less than 10% of the block is contaminated. (*First Report and Order in CC-Docket 99-200*)
- Carriers donating contaminated blocks must port back to themselves all contaminated TNs from the donated blocks.
- Most block donation has already occurred.

The CPUC Petition

- The California Public Utilities Commission seeks a waiver of the contamination standard.
- The CPUC is requesting authority to raise contamination levels from 10% to 25%.
 - The 25% level was considered, but rejected when pooling was originally implemented.
- The CPUC has ignored remedies employed by other states to resolve number exhaust issues.

Grant of the Waiver Does Not Serve the Public Interest

- Both industry and CPUC analyses show little benefit from waiver.
 - NANP is not in jeopardy.
 - Benefits to California are marginal at best.
 - NPA life will extend only marginally.
- Operational complexity increases.
 - The process potentially affects end users and competitors.
 - Risk of delayed activations and degraded service levels increases.
- Costs are real and will be borne by consumers.
 - Network costs are significant.
- National uniformity undermined
 - Invites continued requests for “special treatment.”

Benefits of Grant Would Be Largely Illusory

- Unless newly available blocks are in rate centers with TN needs, the exercise is for naught.
- The two NPAs most at risk in CA, 909 and 310, would get extended by only one and two months respectively.
 - According to NANPA, these area codes are scheduled to exhaust in 4Q2003.
- Industry analysis suggests eight area codes get no benefit. On average the benefit is two months; longest benefit is 9 months.
- CPUC analysis shows only four codes get a benefit of more than 1 year - two by 13 mos; 1 by 14 mos; 1 by 2 1/2 years (already has 30 years remaining).
- Raising contamination levels does not guarantee additional blocks will be available for donation.
 - Service providers can still maintain a six month inventory.
- Large business customers will find the blocks retained by service providers less desirable.
 - With higher contamination levels, it is less likely that ranges of numbers desired by business customers will be available, which will require the opening of additional 1000 blocks.

Costs of Granting Proposal

- INC and NANC picked 10% after lengthy consideration and debate - greater contamination levels come at increased costs.
- Industry cost to implement waiver in CA estimated to be \$10-20M.
 - Increased costs of donation process (each contaminated TN must be individually ported).
 - Need for increased Signal Control Point, or SCP, capacity to handle additional record storage.
 - Need for network & software modifications.
 - Efficiency of investment in Efficient Data Representation (“EDR”) software undermined.
- If additional waiver requests follow, nationwide costs could exceed \$100m.

Summary

- The benefits are illusory.
- The costs are significant.
- End users would be impacted.
- National uniformity would be lost.
- Regulatory uncertainty would increase.
- The waiver request ignores the most efficient solution:
TIMELY AREA CODE RELIEF.
- The waiver should be denied.